Dissenting Views on H.R. 3261
The "Database and Collections of Information Misappropriation Act"

The stated goal of this legislation – to protect database owners from misappropriation of their work product – is appealing. The old "sweat of the brow" standard in existence before *Feist Publication v. Rural Telephone Services Company*, 499 U.S. 340 (1991), seemed to serve society reasonably well by providing incentives for the creation of databases. But the *Feist* case was clear and decisive, and the legislation before us does not avoid the Constitutional defects outlined in that case.

We do not believe that Congress should try to provide database owners with protection that is not within our power to grant. More precisely, we are convinced that the Intellectual Property Clause (Article I, Section 8, clause 8) of the U.S. Constitution does not countenance the type of protection granted by this bill.

In *Feist*, the Supreme Court unanimously held that the Intellectual Property Clause protects only expressive elements in compilations and that effort without creativity could not convert facts into protected expressions. The Court thus expressly rejected the "sweat of the brow" theory, ruling that a compilation could only be copyrighted if the facts are selected, coordinated or arranged in such a way as to render the work an original work of authorship. Even then, the protection only applies to the author's original contributions and not the facts or information conveyed.

This legislation is intended to resurrect the "sweat of the brow" theory rejected by the Supreme Court in *Feist*. In an attempt to conceal its true intent, the drafters have styled the bill as a Federal "misappropriation" statute, as though we were not creating a new property right, but establishing a new tort. However, the bill seeks to establish a new property right for databases, complete with civil remedies for unauthorized uses and exceptions for nonprofit scientific research and news reporting. Such characteristics belie the "misappropriation" label, and look suspiciously analogous to those of copyright (infringement, fair use, etc.).

Proponents argue that even if this proposal runs afoul of the Intellectual Property Clause, it is still constitutional because it is within Congress' power under the Commerce Clause (Article I, Section 8, clause 3). However, the Supreme Court's interpretation of the relationship between the Commerce Clause and another enumerated power (the Bankruptcy Clause) in *Railway Labor Executives' Association v. Gibbons*, 455 U.S. 457 (1982), seems to rule out this argument.

In *Railway Labor*, the Court struck down a statute providing protection to the employees of a railroad in bankruptcy. The Court found that the proposed statute violated the "uniformity" requirement of the Bankruptcy Clause, which Congress could not circumvent by purporting to legislate under the Commerce Clause. *Railway Labor*, 455 U.S. at 469. The *Railway Labor* opinion makes clear that Congress cannot avoid the particular requirements of one enumerated power by relying on the generality of the Commerce Clause. Likewise, H.R. 3261 cannot avoid the originality requirement of the Intellectual Property Clause by relying on the general powers of the Commerce Clause.

The United States Justice Department came to the same conclusion after analyzing an earlier database bill in 1998:

> If the Intellectual Property Clause precluded Congress from providing protection against the copying of non-original portions of factual compilations, even pursuant to a power other than conferred by that Clause, then Congress would not be able to use the Commerce Clause to avoid the implicit strictures of the Intellectual Property Clause that the Court in *Feist* could be said to have recognized, just as Congress may not use the Commerce Clause to avoid the Bankruptcy Clause's express requirement that bankruptcy laws be uniform….

Memorandum from William Michael Treanor, Deputy Assistant Attorney General, United States Department of Justice, to William P. Marshall, Associate White House Counsel (July 28, 1998).

The fact that Congress regulates trademarks under the Commerce Clause does not save H.R. 3261. Over 120 years ago, the Supreme Court ruled that the Intellectual Property Clause did not apply to trademarks because they were neither writings nor discoveries. *Trade-Mark Cases*, 100 U.S. 82 (1879). In contrast, databases are writings that clearly fall within the scope of the Intellectual Property Clause. Indeed, copyright law already extends to compilations. *See, e.g.,* 17 U.S.C. § 103. Thus, unlike trademarks, database legislation is subject to the limitations of the Intellectual Property Clause. *See Bonito Boats v. Thundercraft Boats*, 489 U.S. 141, 146 (1989) ("[a]s we have noted in the past, the [Intellectual Property] Clause contains both a grant of power and certain limitations upon the exercise of that power").

We are also concerned that this legislation may run afoul of the First Amendment. Factual information and ideas are the building blocks of all forms of expression, and the Supreme Court has recognized that the First Amendment leaves little room for restrictions on the dissemination of ideas and factual information. In fact, the Court's ruling in *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985), seems to indicate that our rights of expression under the First Amendment preclude Congress from limiting access to information in the manner contemplated by this legislation:

> Our "profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open," *New York Times Co. v. Sullivan*, 376 U.S. 254, 270 (1964), *leaves no room for a statutory monopoly over information and ideas.* "The arena of public debate would be quiet, indeed, if a politician could copyright his speeches or a philosopher his treatises and thus obtain a monopoly on the ideas they contained." *Lee v. Runge*, 404 U.S. 887, 893 (1971) (Douglas, J., dissenting). A broad dissemination of principles, ideas, and factual information is crucial to the robust public debate and informed citizenry that are "the essence of self-government." *Garrison v. Louisiana*, 379 U.S. 64, 74-75 (1964). And every citizen must be permitted freely to marshal ideas and facts in the advocacy of particular political choices.

Harper & Row, 471 U.S. at 582 (emphasis added).

The Court distinguished copyright protection from the rights protected by the First Amendment by making clear that copyright protection is limited to the author's expression of facts or ideas, not the facts or ideas themselves. In *Harper & Row*, the Court recited with approval the Second Circuit's explanation that copyright's "idea-expression" dichotomy "strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression." *Harper & Row*, 471 U.S. at 556 (quoting 723 F.2d 195, 203 (2d Cir. 1983)). Because of this distinction, "every…fact in a copyrighted work becomes instantly available for public exploitation at the moment of publication." *Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003).

As we stated initially, we are extremely sympathetic to the efforts of our Colleagues to protect the misappropriation of the work and efforts of database publishers. We should be concerned about the need to provide incentives to produce and maintain valuable collections of information. However, our efforts are worthless if we do not enact legislation that comports with the Constitution. We are convinced that the current bill will not meet the Constitutional questions raised by the courts that stimulated this legislation. In the end, enacting still another unconstitutional law serves no one's interests. Those who rely on the law will do so to their detriment. Efforts to find measures that might meet Constitutional muster will linger or wither. Business decisions may be made based on unsound law. We would also point out that database publishers already have a wide variety of legal theories available to protect their business models, as pointed out in the views submitted by our colleague Rep. Rick Boucher.

While proponents of this bill have only the best intentions, the bill will only create additional market uncertainty, is unconstitutional and should be rejected.

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